

Speech of the Governor of Assam for the inauguration of National seminar on Foreign Trade and EXIM Policy to be organized by MSME-Development Institute in association with PHD Chamber of Commerce on 11-09-2019

Namaskar,

Commissioner & Secretary, Industries and Commerce, Govt. of Assam **S. S. Meenakshi Sundaram, IAS**, Principal Director, PHD Chamber **Dr. Ranjeet Mehta**, Director, MSME- DI, Guwahati **Mr. M. Sreenivasulu**, Renowned Media Political Commentator on Govt. of India Issues & Foreign Policy and Economic Issues **Dr. S. K. Dutta**, Friends from Media and Ladies and Gentlemen.

I am happy to be here to inaugurate the national seminar on Foreign Trade and EXIM Policy deliberations in Guwahati. The participation of several delegates in this event underlines the importance, we attach to our economic relations with other foreign countries. I commend the efforts of the MSME Development Institute and PHD Chamber of Commerce to host this programme which drew an impressive participation. The importance of the programme has been enhanced in the context of India's Act East Policy and emergence of Guwahati as the Gate way to South East Asian countries.

Countries of South East Asian Nations and Assam have much in common. Many of ASEAN capitals are within 2,000 kilometre flying distance from Guwahati which is comparable to flying distance of Guwahati to many Indian cities. We are the geographical entities built on the foundations of ancient civilisations. "Vasudhaiva Kutumbakam" a timeless Sanskrit phrase which means "The World is a Family", is our guiding principle. It has guided India's external outlook down the ages and continues to be so. As sister civilisations from the earliest days of human society, ASEAN countries and India are special members of this family.

Friends, import and export plays a very important role in our country's economy.

In the recent years, the Indian market is slowly growing by receiving the attention of leading players of international world with the diverse selection of demands of its wide-ranging platform. India

has found a good and notable place in the domain of export import business and has become a significant marketplace for the global traders.

Major items for import from India are- Petroleum and petroleum product, machinery and equipment, computers, plastic articles, organic and inorganic chemicals, iron; steel etc. Major export items from India include: Petroleum products, gems and precious metals, machinery including vehicle, pharmaceuticals, cotton, clothing accessories etc.

Friends all of you know, micro, small and medium enterprises (MSME) is a dominant sector in the industrial scenario of Assam. It contributes maximum employment generation with minimum capital expenditure and is a major contributor to the State's economic growth. The MSME sector has emerged as a dynamic sector of the Indian economy over the last five decades. MSMEs contribute enormously to the socio-economic development of the country. MSME have a large share of jobs, production and exports.

The Micro, Small and Medium Enterprises occupies a strategic importance in terms of output, exports and employment. MSMEs act as ancillary industries for Large Scale Industries providing them with raw materials, vital components and backward linkages.

Friends, in the presence of Make in India, Start-up programme etc MSME sector has assumed tremendous importance.

Introduction of National Manufacturing Competitiveness Programme for MSME, production of Quality products from the MSME units to survive severe competition from global companies are some of the important aspects that MSME sectors need to address to survive in national and international markets.

India is presently known as one of the most important players in the global economic landscape. Its trade policies, government reforms and inherent economic strengths have attributed to its standing as one of the most sought-after destinations for foreign investments in the world. Also, technological and infrastructural developments being carried out throughout the country augur well for the trade and economic sector in the years to come.

With the Government of India striking important deals with the several foreign countries, the external sector is increasing its contribution to the economic development of the country and growth in the global markets. Moreover, by implementing the Foreign Trade Policy 2015-20, by 2020, India's share in world trade is expected to double from the present level.

All export and import-related activities are governed by the Foreign Trade Policy (FTP), which aims at enhancing the country's exports and use trade expansion as an effective instrument of economic growth and employment generation.

Friends, Today, India is moving forward under the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi ji. He has enunciated Act East Policy which entails increased people to people, trade and other relations with countries on India's east particularly ASEAN countries.

We have taken inspiration from the Prime Minister's Act East Policy and set up a separate Act East Policy Affairs Department. We propose to make Guwahati as India's gateway to ASEAN. We have notified the State Capital Region. We propose to build a world class trade centre comprising of 65 storeyed twin towers. Bangladesh and Bhutan have set up their consulates in Guwahati. Talks are on with Israel to set up its consulate in the city.

Friends, Govt. of India's initiative of its Exim policy has well defined objectives for rapid growth in exports. Sustained economic growth by providing access to essential raw materials consumables, components and capital goods scheme required for augmenting production and providing services are issues in focus. Essentially foreign trade policy known as Export-Import Policy or Exim Policy of 2015-2020 has many novel and innovative schemes for boosting trade and exports.

The present policy of merging five earlier policies into one single scheme namely **Merchandise Export from India Scheme**

(MEIS) is a positive step. **Served from India Scheme (SFIS)** has been replaced with **Service Exports from India Scheme (SEIS)**. SEIS shall apply to “Service Providers Located in India” instead of “Indian Service Providers”. Thus SEIS provides for rewards to all service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider. This shall encompass wide range of entities within the ambit of production and export sector complimenting the ‘**Make in India**’ initiative. The Exim Policy has proposed to extend chapter-3 incentives (MEIS & SEIS) to units located in SEIS also.

Higher level of rewards under MEIS for export items with high domestic content and value addition. Trade facilitation and ease of doing business through online filing of documents/applications and paperless trade in 24x7 environment is a high point of this policy. Simplification of procedures/processes, digitization and e-Governance has sizably reduced the work load of exporters besides doing away with burdensome paperwork.

Govt. of India has recognized 33 towns as export excellence towns. We in the North-East can also aspire and work towards enrolling few of our towns as export oriented ones. The Govt. has laid special emphasis on development of North East. Higher rewards for agricultural and village industry products, value added and packaged products, eco-friendly and green products opens up vistas for growth of North East.

Granting of Global support to horticultural products, tea, coffee, spices, handloom, coir, jute, handicraft, wood articles and furniture augurs well for North East manufacturers and exporters. Support to major markets to many other product categories like herbals, chemicals, rubber, paper, wood, leather garments and many other products are opportunities for manufacturers and exporters of the North East.

The policy provides for reward of 3% to 5% for many different services. Many women centric products are supported under MEIS.

Most of the industries and manufacturing units of North East are women centric. Govt. of India's measures to improve women centric units will immensely benefit North East.

The North East reverently called *asta-laksmi* by our Hon'ble Prime Minister is a store-house of potential development only waiting to emerge and fully manifest.

I am hopeful that the State Govt. shall augment and take forward Govt. of India's mandate of rapid growth and development of the export sector. Hoping for a bright future for the North East and the country.

I hope that the deliberations of this seminar will help further work on understanding the importance of Foreign Trade and Exim Policy and will also help in identifying gaps in the implementation of relevant policies.

I wish the seminar all success and I hope in this backdrop the MSME-Development Institute and the PHD Chamber of Commerce will take the lead in the development of foreign trade more specifically in MSME sector to catapult the growth of Assam and other North Eastern states.

Thank you

Jai Hind